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CES Section: Pp. 23-62

CE Census: Pp. 3, 55-60

9007122 DEC84DS
CONGRESSIONAL SOURCE INFO
4520 EAST/WEST HIGHWAY EN
BETHESDA MD 20814

Discount Store News®

THE NEWSPAPER OF DISCOUNT RETAILING

$2 per copy

VOL. 23, NO. 12 | Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. | JUNE 11, 1984

Andrew Lewis Robert E. R. Huntley Bernard Cohen

Best Restructures Its Top Management

RICHMOND—Best Products at presstime was due to promote Andrew Lewis to board chairman and chief executive officer and Robert E. R. Huntley to president and chief operating officer as part of a major restructuring of its top management.

The other key change was the hiring last month of Bernard Cohen, president of Consumers Distributing (U.S.), to head up the Best retail group composed of seven catalog showroom chains and two specialty store operations: Best Jewelry and Ashby apparel stores.

The company also revealed it made an outsider takeover more difficult by making a change in its bylaws and by instituting a "golden parachute" severance agreement with about 40 top officers.

Lewis, 38, will succeed his father, Sydney Lewis, 64, who cofounded the company 27 years ago with his wife, Frances. Huntley, 54, takes over Andrew Lewis' previous post.

Cohen, 41, fills a newly created spot, executive vice president and president of the new, all-encompassing retail group. The company's other operation is Bidnet, a service that provides information to contractors for bidding on Federal, state and local government projects and which has no material impact on Best's sales and earnings.

Best this year is set to open at least eight new showrooms, including its first two in the Greater Milwaukee market, and 14 Ashby's, with an undetermined number of Best Jewelry units also planned.

The management restructuring, along with the measured, steady growth in showrooms and fast-track expansion of Ashby's that will double that chain's size to 30 stores, are part of Best's efforts to improve

(Continued on page 70)

K mart Financial-Service Plunge Furthers Banking-Field Changes

By ARTHUR MARKOWITZ

TROY, Mich.—K mart has started to move into the financial services area in a big way.

In the process, K mart is helping to further erode the barriers that limit banks to operating in one state and that set them and their functions apart from other financial services.

A key aspect of K mart's move was adding certificates of deposit (CD) and money market accounts through a groundbreaking arrangement with a local bank to the insurance services that had been the mainstay of its efforts for the past few years.

The discounter will expand its financial services from 21 stores in Texas and five in Florida at the start of the year to as many as 95 in the two states by the end of the year as the prelude to a Sunbelt regional rollout in 1985 of a program K mart has contemplated for about five years.

John Hartman last month was named to head the program as assistant treasurer for financial services. He had been one of the corporate financial analysts who helped develop the program under Robert E. Brewer, executive vice president, finance.

K mart tested the banking services earlier this year in three Florida stores. Last month it started to offer CDs and money market accounts in Texas in three Fort Worth stores.

K mart is acting as a "finder" for the Troy, Mich.-based Standard Federal Savings and Loan, which actually issues the CDs and money market accounts.

K mart and bank officials believe it is the first such arrangement in the nation. The discounter just processes the forms and payments for the bank, receiving a fee that neither party would disclose.

It enables the $5 billion-in-assets Standard Federal to extend some of its banking services from just Michigan to two other states. At the same time, it allows K mart's wholly owned subsidiary, K mart Insurance Services, for the first time to offer banking services in its insurance centers.

When K mart first offered the two savings accounts in discount stores in Margate, Fern Park and St. Petersburg, Fla., the state's comptroller attempted to block the effort and obtained a temporary restraining order that was later lifted by a Leon County Circuit Court judge. The Florida court ruled that the offerings were legal.

The Florida comptroller's action points up the disarray in Federal and state banking laws.

On the Federal level, the Glass-Steagall Act, passed in the Depression, separated the financial industry into specific businesses which couldn't offer any financial services provided by the other : banking, insurance and brokerage. The states, meanwhile, have long had laws that prevented out-of-state banks from operating within their borders.

Technology, especially the computer, along with changes in the nation's economic infrastructure, led to breaches in the Federal and state barriers. Standard Federal, for example,

(Continued on page 69)

K marts Remain Key To Growth: Leftwich

TROY, Mich.—"The great future of the company still lies within those four walls of K mart stores."

This was how K mart president and chief operating officer Samuel G. Leftwich viewed the company's future and speculation about the impact that diversifications such as the move into financial services would have on the $18.5 billion discounter.

"Even if we were to make an acquisition of a $1 billion company, that would only be 5% of sales, so that with the base such as it is, any future major growth of the company still lies within the four walls of the discount stores."

A K mart veteran, Leftwich has been president and coo since January 1981. He has been a senior vice president, personnel and employee relations, and director of food operations. He served in various merchandising and administrative posts in K mart's Western region from 1966 to 1971, including assistant regional manager. During Leftwich's tenure in the Western region, that area was headed by Bernard M. Fauber, now K mart chairman and chief executive officer.

(Continued on page 69)

"What we are doing this year [installing modular presentations] is the biggest change, in my opinion, that any retailer has ever made."
—Samuel C. Leftwich, president, coo, K mart

DSN DSN

Digest

June 11, 1984

CE TECHNOLOGY UPDATE

• **Innovative CE products are** reaching the mass market faster than ever (p. 27). Other articles in *DSN*'s CE Technology Update Supplement (pp. 27-42) include discussions of mobile cellular phones (p. 30), high-end computers (p. 32), compact disc and higher-end rack systems (p. 36), and video innovations (p. 38).

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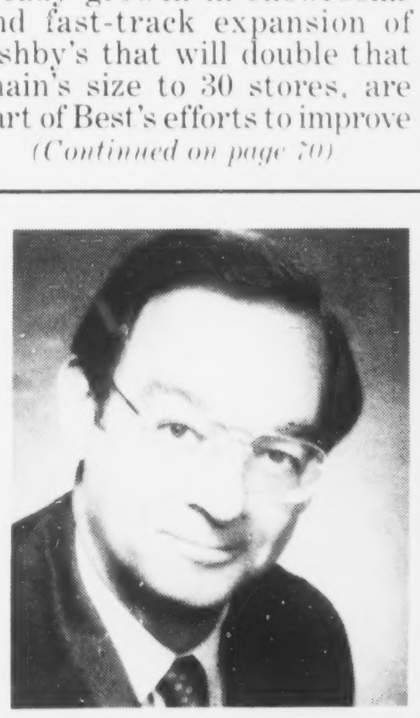
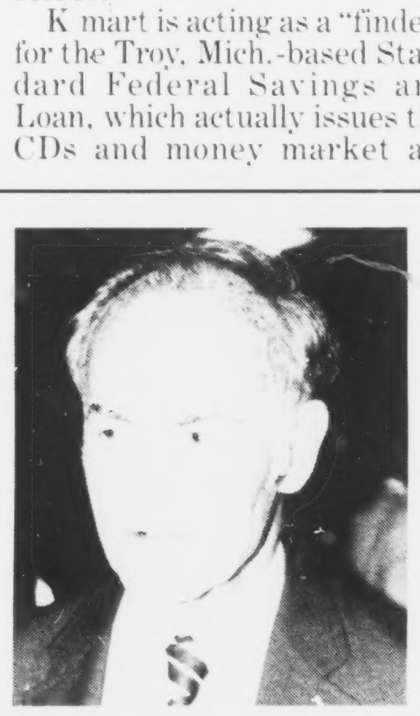




IN BRIEF

MALCOLM SHERMAN (LEFT), PRESIDENT OF ZAYRE, and John Geisse, founder of Target and Venture and currently head of The Wholesale Club, will be honored at *DSN*'s seventh annual SPARC Awards banquet on Aug. 12th in Chicago (see story page 2). Sherman was voted Discounter of the Year; Geisse will be inducted into the Discounting Hall of Fame.

CRAZY EDDIE, THE 12-UNIT NEW YORK-BASED CE chain, has launched a bid to go public. At presstime, the chain was poised to file an SEC registration statement with an initial offering of two million shares, 700,000 of which will come from principals, including Eddie and Sam Atar.

Chains' New Controls Brake Escalating Travel Expenses

By AL HELLER

Discounters and catalogers are applying new control tactics to help put the brakes on escalating travel costs.

Rather than cut back on their number of store, buying or trade show trips, retailers are establishing an array of programs and policies to bolster trip productivity and trim expense.

Best Products, the nation's leading cataloger with stores in 27 states, formed an in-house travel agency.

Gold Circle went on-line last month to an outside travel agency, airline, hotel and car rental companies.

Ames and ALCO rely more on company planes than scheduled commercial flights because of travel frequency to their far-flung markets.

Gaylords stresses advance planning to maximize use of available promotional fares.

H. J. Wilson monitors its company travel through consolidated activity reports provided by its outside travel agency.

No one considers grounding executives.

"Trips are critical. They're the lifeblood of our chain," said ALCO vp-soft lines merchandising Glen Shank.

"You can't sit in the office and know what's going on," insisted Joseph Nusim, Gaylords executive vp.

At Richmond, Va.-based Best Products, an in-house travel agency is expected to save the firm $300,000 in 1984 travel costs; $250,000 of that should materialize from more consistent use of promotional air fares; $50,000 will result from Best's ability to negotiate lower hotel, motel and automobile rental rates because of its volume buying.

"It more than pays for itself," said Joe Anderson, director of

(Continued on page 70)

Best's In-House Travel Agency Seeks Annual $300G Savings

RICHMOND—Best Products' expense control measures call for greater travel cost reductions in 1984, without any cutback in the amount of store visit, buying or trade show trips.

Goals for the nation's largest cataloger include paring 7% from hotel costs per day, 8% from car rentals, and a 10% boost in the number of Super-Saver and promotional airfares booked, said Joe Anderson, director of corporate administration.

That would result, he said, in annual travel cost savings of $300,000: $250,000 by booking half the company's flights at promotional rates, and the rest from lower negotiated hotel, motel and car rental rates.

Clearly, Best's in-house travel agency is working toward the objectives: 73% of March air travel was at reduced fares, and Best just agreed to a Budget Rent-A-Car package that slashed car costs 12%-15%, he said.

The agency, established in August 1982, took nine months to run smoothly, Anderson said, until a staff of three former travel agents jelled. Best has just begun to track savings, though Anderson feels the effort more than pays for itself.

Best sought greater control and sensitivity to low rates than

(Continued on page 70)

Ames: Remodeling, Remerchandising To Help Up Biz, Net 20% in '84, '85

NEW YORK—Ames Department Stores is making changes in its operations to spark what it anticipates will be 20% yearly gains in sales and earnings during 1984 and 1985.

The 170-store discounter will continue its expansion into contiguous Northeastern markets to move toward these goals, as it works to strengthen same-store productivity by:

—tripling its remodeling pace;

—spending $8.5 million on distribution center improvements;

—tightening planogramming and fixturing;

—revamping advertising;

—upgrading apparel merchandising;

—pricing more competitively on key identifiable items;

—increasing the use of its zip code sales tracking system and store-level microcomputers.

Chairman Herbert Gilman and president Gerald Kanter outlined those directions to a security analysts meeting in New York recently. They said half the growth would come from existing stores.

Ames on April 28 ended a record first quarter that reflected the impact of its remerchandising and remodeling efforts, along with results from 42 King's stores acquired last spring. Same-store sales rose 22% over the year-earlier quarter, which is "above target," said senior vp-administration and finance Ralph Shulansky.

Apparel sales rose 23.7% and hard goods 23.1% as leased footwear and food service departments lagged, said Gilman. It was the first time that apparel gains outpaced hard goods, he added.

Chainwide during the quar-

(Continued on page 69)

"Our remodeled King's stores in densely populated areas are our highest volume, most profitable units—running at a $6 million annual pace apiece in the first quarter and exceeding expectations by 50%." —Herbert Gilman, chairman, Ames.

Carl Bennett (center), founder and now former chairman of Caldor, was inducted into the discounting Hall of Fame at the 1983 SPARC Award banquet.

In 18 Categories

73 Mfrs. Nominated For SPARC Awards

NEW YORK—The nominations for *Discount Store News'* seventh annual SPARC (Supplier Performance Award by Retail Category) Awards are in. (See editorial, page 6.)

Seventy-three manufacturers in 18 product categories were nominated in a poll of the discount industry's buyers. Buyers judged the suppliers on a variety of criteria including advertising support, product quality, packaging, service and delivery capabilities.

First-, second- and third-place winners in each category will be announced at the annual SPARC Award banquet on Aug. 12 at the Grand Hyatt Hotel in Chicago.

Following is a list of the nominees. (The number of nominations varies in some categories because of ties in the first balloting.)

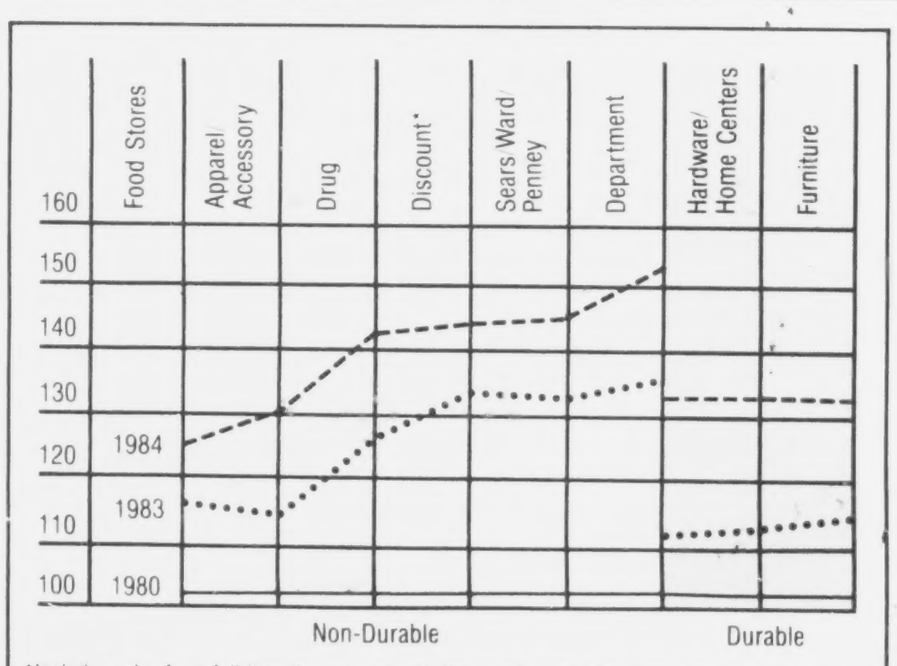
SPARC NOMINEES

Automotive: Kraco, Lee Filter, Sagaz Industries, Turtle Wax, Vatco Seat Cover
Children's Apparel: Garan, Gitano, Kendall/Curity, Stevens International
Consumables: Hershey, Leaf, M&M/Mars, Procter & Gamble
Consumer Electronics: Emerson, General Electric, Panasonic, Samsung, Soundesign
Domestics: Burlington, Louisville Bedding/Reed, St. Mary's/Fieldcrest, West Point Pepperell
H&BA: Chesebrough Pond's, Clairol, Gillette, Helene Curtis
Hardware: Black & Decker, Glidden, Hirsch, Newell
Housewares (nonelectric): Anchor Hocking, Corning, Rubbermaid
Jewelry: Advance Watch, Dalow, Princess Pride, Timex
Ladies' Apparel: Gitano, Lee, Playtex, Wrangler
Lawn & Garden: Anchor Swan, Arnold Industries, Colorite, Ortho, Structo
Men's Apparel: Garan, Hanes, Lee, Network Ind., Oxford Industries, Sigallo, Wrangler
Personal Care: Clairol, Conair, Norelco
Photography: Keystone, Kodak, Polaroid
Small Electrics: General Electric, Hamilton Beach, Norelco
Sporting Goods: Academy Broadway, Coleman, Diversified Products, Franklin
Stationery: Esselte Pendaflex, Mead, 3M
Toys: Fisher-Price, Hasbro, Mattel, Schaper

% of Retail Activity by Type of Business

TOTAL IN DOLLARS	1984 1st Quarter (In millions) $150,509	1983 1st Quarter (In millions) $137,150	1980 1st Quarter (In millions) $113,803*
DURABLE GOODS STORES	%	%	%
Hardware/home center (building materials, hardware, garden supplies, mobile home dealers)	9.8	9.1	9.8
Furniture, home furnishings and equipment stores	8.8	8.3	8.8
NONDURABLE GOODS STORES			
Food	43.6	44.9	46.0
Discount	10.9	11.1	10.0
Apparel/accessory	8.5	8.4	8.6
Drug	6.7	6.7	6.3
Sears/Ward/Penney	6.4	6.4	5.8
Department	5.3	5.1	4.6

*Does not equal 100% due to rounding. †Includes sales from full-line discount stores only
Source: Lebhar-Friedman Research and Dept. of Commerce



*Includes sales from full-line discounters only Source: Lebhar-Friedman Research and Dept. of Commerce

L/F Unveils 1st Quarterly Retail Index

NEW YORK—In a record first quarter, where total sales of the major retail sectors topped the $150 billion mark for the first time, full-line discount stores dominated the market, accounting for 10.9% of all general merchandise sales, according to the L/F Retail Sales Index.

Department stores, however, posted the largest gains on the Index, moving ahead 17 points, to 153, over the same period a year ago.

The L/F index was developed by Lebhar-Friedman, publisher of *Discount Store News*, with 1980 sales as the base (100). Auto sales are excluded.

The index, which will be reported on a quarterly basis, represents the net change in adjusted estimated quarterly retail sales. (The Consumer Price Index rose 22.4% between the first quarter of 1980 and the same period of 1983, and 28.1% between the first quarter periods in 1980 and 1984.)

DISCOUNT STORE NEWS
(ISSN 0012-3587), is published biweekly—every other Monday except Sept. 17 through Oct. 29, when published every third week; monthly in December—by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Subscription rates: *Retailers*—one year, $12; three years, $30. Canada: one year, $13; three years, $33. *Wholesalers, manufacturers, schools, libraries and all others*—one year, $20; two years, $38; Canada: one year, $21; two years, $40. *Foreign subscriptions:* Airmail only, $100 per year. Single copy rate, $2, except annual census issue, $20.

Second-class circulation postage paid at New York, N.Y., and additional mailing offices.

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Vol. 23, No. 12 June 11, 1984

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Giants Evolving Among CE Discount Chains

Nationwide DSN Report

Specialty consumer electronics discounters haven't just found a niche in the marketplace—a convincing argument could be made that they've completely *reshaped* it to their liking.

In the process, a number of chains are on their way to becoming giants in the industry, extending their market dominance strategies to regional dominance. There's already some speculation concerning the emergence of the first national CE chain—other than private-label-dominated Radio Shack—possibly before the end of the decade.

Wards, which operates Circuit City, Lafayette and leased departments in California discounter Zodys, expects to near the half-billion-dollar mark in sales this year—a projected 40% gain over last year's sales. Helping it to that level will be the opening of 15 new stores and a market entry into Atlanta.

The planned opening of a new distribution center in the Georgia capital will give it access to the rest of the South—the four Gulf Coast states.

Silo expects a 38% sales gain this year, pushing its volume to $380 million. The chain also plans the opening of 35 new stores—many of them 60,000-70,000-sq.-ft. "warehouse" operations, conforming to the company's newly developed prototype.

In the process, Silo will enter Kansas City, upstate New York and the Pacific Northwest.

Pacific Stereo's anticipated 18% sales gain this year will push it to the $200 million mark. After two static years, during which the chain was sold by CBS to Burke Mathes, Pacific will open five new stores in its

(Continued on page 55)

Leading Electronics Discounters

Chain	Chain Volume[a] (Mill. $)	Number of Stores 1/83	1/84	1/85	Avg. Store Size (Sq. Ft.)	Other Mdse. Carried[b]
Wards (Va.)	357	101	98	113	3,600	Computers, Major Appliances
Silo (Pa.)	275	56	72	107	12,000-70,000	Major Appliances
Highland (Mich.)	270	19	25	31	n/a	Major Appliances
Pacific Stereo (Calif.)	170*	83	82	87	4,600	Computers
The Federated Group (Calif.)	138	15	20	28	23,100	Computers
Newmark & Lewis (N.Y.)	100	21	24	27	10,000	Computers, Major Appliances
Luskin's (Md.)	95*	19	23	24	10,000	Major Appliances
Crazy Eddie (N.Y.)	82*	10	12	13	7,100	Computers
CMC Stereo (Mo.)	71*	57	57	57	3,500	
Schaak Electronics (Minn.)	65	56	57	60	2,900	Computers

[a]—Last Completed Fiscal Year [b]In addition to the five categories of audio, video, TV, telephones and car stereo. All chains listed carry at least those five except CMC Stereo, which just has audio, TV and car stereo.
n/a—Not Available
* DSN Estimate
Source: DSN Research

Wards Eyes $500M Sales in '84, Sparked by 15 Store Openings

RICHMOND—Wards, the nation's largest consumer electronics specialty discounter, has set its sights on a half billion dollars in sales this year fueled by 15 new store openings.

The slated openings include four units in an Atlanta market entry: three Circuit City Superstores (30,000 sq. ft.-40,000 sq. ft. gross) and one smaller Circuit City Store (4,000 sq. ft.-7,000 sq. ft. gross). When combined with the planned opening of a new distribution center there, Wards is positioning itself for market dominance as well as for a march through the rest of the South, including entries into Florida, Alabama, Mississippi and Louisiana.

"We go after a market dominance—market share strategy," said Lawrence A. Wolfson, assistant treasurer. "We would rather dominate a smaller area of the country than be spread out all over. But most of our [expansion in existing markets] will be completed this year."

Wards currently operates 98 units in 12 states, principally in the Southeast. Its influence also extends to New York and New Jersey, however, through its ownership of Lafayette Radio Electronics (11 stores with three more planned this year), and to California and Nevada where it operates 41 leased departments at full-line discounter Zodys.

The chain produced $356.7 million in sales for the fiscal year ended Feb. 28, a 45% gain over the previous year. Net earnings rose 300%—to $12.9 million, a 3.6% return on sales, more than double that recorded a year earlier.

Sales Up

At the same time, Wards also showed growth in sales per square foot, gross margins and inventory turnover. The chain experienced a 35% gain in sales per square foot, rising from $740 to $999. Inventory turns increased from 4 to 4.3 and margins rose seven-tenths of a per cent, to 28.8%.

There was a net loss of three units last year; though Wards opened nine new stores, it closed 12, principally leased departments in Zodys, then in Chapter 11. (Zodys' parent, HRT Industries, recently emerged from reorganization through an agreement giving McCrory's effective control of the company.)

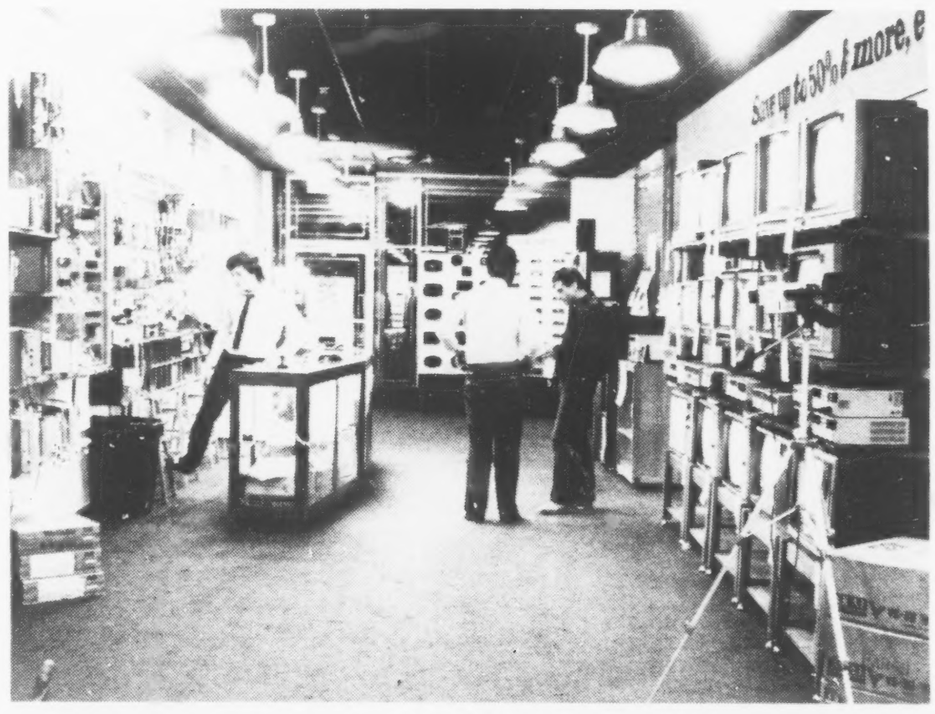
Wards' primary expansion vehicle to continue that growth will be its Circuit City Superstores located in or near metro markets. Nine of the 15 scheduled openings this year will be Superstores, more than doubling their current number.

The eight Superstores in operation last year (including one opened during the year) yielded about $83.9 million in sales, roughly 23.5% of Wards' total volume.

Though the Superstores have benefited heavily from a rebounding major appliance industry, which recorded its first substantial gains in 10 years, Wards' stock-in-trade remains its full-line consumer electronics merchandise.

Majors accounted for 15% of the company's total volume last year. Most of that amount was produced by the Superstores, although the West Coast operation does include some major appliance offerings. While sales in the category will undoubtedly rise as more Superstores open, it's unlikely to become dominant since the market is

(Continued on page 68)



Tech hifi has squeezed margins through the use of more promotional goods, as seen in its Paramus, N.J., unit. But, company officials say the chain's Chapter 11 struggle hinges more on expense control. *(DSN photo)*

Tech hifi, in Ch. 11 and Down To 43 Units, May Shut More

RANDOLPH, Mass.—Tech hifi has embarked on a radical cost-cutting campaign in its effort to survive bankruptcy.

The cuts were implemented during the six weeks following the chain's April 10th Chapter 11 filing that simultaneously brought the closings of 14 additional stores. Tech now operates 43 stores in seven northeastern states, having pulled out of Ohio, Michigan and North Carolina.

More closings are possible during the next three months.

"Obviously we're looking at the individual store numbers pretty hard," company president Steven Mayes said in a telephone interview. "There

(Continued on page 58)

Dress Barn, Fashion Gallery Battle For Off-price Chain

BOSTON—The battle for Fashion World, a 14-unit off-price ladies' apparel chain, which filed Chapter 11 last November, was expected to be resolved at presstime.

Rival bidders Dress Barn and Fashion Gallery—both New England-based ladies' wear off-pricers—were each planning to submit sealed envelopes containing revised bids to a bankruptcy court on June 4 for a final decision.

Fashion World creditors have 25 days following the hearing to oppose the decision made in court.

Steve Richmond of Kaye, Fialkow, Richmond and Rothstein, counsel for the creditors, said that the final decision would probably hinge on the value of each bidder's stock, both as to market value and public demand. Creditors were planning to meet and discuss that point before the court hearing.

Initial bids from the 98-store Dress Barn and the 16-store Fashion Gallery division of Spencer Cos. were fairly close, according to Richmond, who added that the initial Dress Barn bid offered a slight economic advantage.

Dress Barn's offer for nine stores was valued at $1.1 million—20% of which would be made in cash, the rest in common stock.

Spencer Cos. (Fashion Gallery) was offering about $1 million in stock for 12 stores.

In both existing bids creditors would receive about 50% of their unsecured claims and Fashion World president Alan Stahler would remain as president for a trial period following the takeover—one year if by Dress Barn and two years if by Spencer.

(Continued on page 69)

Gold Circle, Richway Pool PL Efforts In Garb With Help of Parent Federated

By KAREN PAXTON

CINCINNATI—Sister chains Gold Circle and Richway recently pooled their efforts in private label apparel development with the help of parent company Federated Department Stores.

Two months after the goods landed in the stores, executives at both chains are calling the venture a success. They are planning to expand the program, which began with New Views, a private label assortment of casual fashions in misses sizes, launched in both discount chains this spring.

A 50% sell through within two weeks of the introduction prompted the discounters and Federated to aim for a broadened New Views program—with coordinate groups for plus-size women, juniors, men and children, said George Rubin, senior vp, soft lines, at Gold Circle.

Timing for the creation of casual private label separates in those classifications depend on how quickly Federated can hire additional fashion coordinators to orchestrate the programs from its New York buying office. Consultants for children's, men's and accessories are expected to be brought on in New York.

A Closer Look

Gini Monahan, the only fashion coordinator currently employed by Federated to consult with the discount divisions, was instrumental in developing the first phase of New Views, said Rubin.

She helped one buyer at each chain select the hottest-selling items and colorations; worked with marketing divisions on signing, labels and advertising; consulted with fixturing departments on presentation and coordinated the pool of resources (domestic and import).

The New Views concept represents two changes in Gold Circle's and Richway's approach to private label apparel:

—It marks the first time either chain tried a color-coordinated "grouping" of related separates under a private label.

—It also marks the first time the two discount divisions of Federated have ever offered identical private label merchandise.

"It's the way we should have been doing business all along," said Rubin, who calls the existing New Views assortment "our answer to Esprit."

The assortment is aimed at filling three major consumer demands, said Rubin: current fashion geared toward the misses consumer; "concept dressing" or creation of a grouping focused on one mode of dress—New Views is casual; and related separates, or a collection of interchangeable pieces that have more than one possible coordinate.

Introduced in April, the line includes some 50 sku's of 100%

(Continued on page 16)

CE SPECIALTY CHAIN CENSUS

CE Chains

(Continued from page 3)

existing four-state trading area.

More significant, however, is the chain's pending image change, expected to be unveiled within the next six months. While company officials wouldn't discuss specifics, the plan will incorporate advertising and merchandise changes designed to expand its demographic appeal to include an older and more affluent customer base.

In the Southwest, The Federated Group plans to open "at least" eight new stores this year, bringing its total to 28, with markets entries in the smaller California markets of Bakersfield and Sacramento.

But, the chain is already preparing a march into San Francisco next year, with Las Vegas targeted a little farther down the road.

Federated Group company officials predict their supermarket-sized stores will yield a 55% sales increase in the current year, bringing chain volume to $215 million.

In the meantime the company has begun a diversification effort with the creation of Specialty Retailing Inc.

Schaak Electronics more conservatively predicts a 23% gain in sales to bring total volume to the $80 million level. Three new stores are planned, including a market entry into Colorado, bringing its total to 60 stores.

Leading Electronics Discounters By CE Volume (Last Completed Fiscal Year)

Chain	CE Volume (millions)
Wards	303*
Silo	184
Pacific Stereo	170*
Highland Appliance	160
Federated Group	138
Crazy Eddie	82*
Luskin's	71*
CMC Stereo	71*
Schaak Electronics	65
Newmark & Lewis	65

**DSN estimate*

Source: DSN Research

Expanded 1984 Directory Issued

NEW YORK—Chain Store Guide has released its 1984 Directory of Discount Stores/Catalog Showrooms, which contains several new features.

This year's directory includes up-front SMSA breakouts of company headquarters, divisions and regional offices, with store locations per state, arranged by SMSA and listed under the county in which they are located.

Chain Store Guide has also added a separate section on 200 major distributors servicing the consumer electronics industry. Also, the consumer electronics retail section was expanded to include listings for 1,900 companies operating 26,500 stores.

The directory is available at $155 from Lee Appel, Chain Store Guide, 425 Park Ave., New York, N.Y. 10022. Telephone: 212-371-9400.

CD-Player Biz Benefits From Software Rise

The sudden sales rise in compact disc (CD) players is attributable to the growing number of recordings that have become available, as well as to the falling hardware prices, which have brought the CD players down to the under-$400 mark. The 33-unit Tower Records chain has been steadily adding newly available titles to its software offerings, as shown in its New York store. In classical music alone, more than 250 different discs are currently offered. In other music categories, the CDs number from one-half to three-quarters of the cassette tapes currently available. The CDs have been merchandised on a prominent traffic aisle in the store. *(DSN photo)*

Get ready for the most exciting new anti-freeze brand in more than a decade.

At last you have a major, nationally advertised anti-freeze brand that can make you real money. Just consider the exciting potential that only STP® Anti-Freeze/Coolant offers you—

- The fantastic consumer recognition of the STP brand.
- The outstanding quality and proven sales appeal of the ALUGARD® 340-2 inhibitor system...with its Big-4 car maker approvals right on our label.
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- The famous STP Consumer Satisfaction Money Back Guarantee.
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*Available in August 1984. Standard containers available now.

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The only formula/system approved by all 4 major U.S. Car Makers

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CE SPECIALTY CHAIN CENSUS

TV-Ad Use in 1983 Ballooned For Many Leading CE Chains

Nationwide DSN Report

Last year a group of the nation's leading discount electronics chains doubled their budget commitments to TV advertising, according to the Television Bureau of Advertising (TvB).

Among the group, Pacific Stereo was the heaviest TV advertiser, increasing its expenditures more than seven times, to nearly $4.6 million, the TvB reported.

While most chains reported overall increases in budgeted ad dollars, television's portion increased disproportionately, although it still hasn't reached a position of dominance. Most executives said print continues to be their primary advertising vehicle.

Still, television's rise has been attributed to the consumer electronics industry's rapid growth, fierce competition and to the successful use of the medium for the price-image messages by chains such as Crazy Eddie in New York and The Federated Group in the Southwest.

First to Third

Although Crazy Eddie increased its TV budget 8% to $2.6 million, the 12-store chain fell from first to third place among the heaviest CE television advertisers, according to the TvB-supplied research.

At The Federated Group, which moved into second, television advertising expenditures rose to an estimated $4.5 million, representing 46% of the chain's nearly $10 million ad budget last year. The chain more than tripled its TV commitment last year.

The trend toward greater use of television has also been spurred by the growth of the major chains in major media markets, where store clusters have greatly improved the medium's advertising efficiency.

But the markets don't always have to be major.

Long's Electronics, a seven-store Alabama-based chain that changed its name from Stereo Warehouse last April, has been running nearly 500 30-second TV spots weekly in the Birmingham and Huntsville markets, according to James Long, president. Additionally, the chain regularly sponsors college and professional pregame sports broadcasts.

The chain spent nearly $3 million on advertising last year.

Specialty Discounters: TV Advertising

Rank 1983	Rank 1982	Chain	Total TV $ 1982	Total TV $ 1983	% Change
1	8	Pacific Stereo (Calif.)	536,900	4,564,500	+ 750.2
2	5	Federated Group (Calif.)	1,067,400	4,480,200	+ 319.7
3	1	Crazy Eddie (N.Y.)	2,407,800	2,600,700	+ 8.0
4	2	Long's Electronics/Stereo Whse. (Ala.)[a]	1,623,100	2,018,700	+ 24.4
5	3	Circuit City[b] (Va.)	1,332,500	1,640,500	+ 23.1
6	—	Mad Jack's (Calif.)	40,100	1,388,200	+ 3,361.8
7	4	CMC Stereo (Mo.)	1,214,100	1,025,700	– 15.5
8	—	Video King (Ill.)	—	942,900	—
9	6	Downings TV/App. TV City (Silo) (Pa.)	1,046,300	869,100	– 16.9
10	9	Fred Schmid's (Colo.)	530,700	838,100	+ 57.9

Source: Television Bureau of Advertising from Broadcast Advertisers Reports' data

[a]Reflects name change from Stereo Warehouse to Long's Electronics. Advertising data applies to retail stores only and does not reflect mail-order catalog business.

[b]Data reflect Wards Co.'s East Coast operations operated under the Circuit City name only.

When you carry the Motorcraft line, you get all the support you need to make your selling job easier. We call it Accelerate '84. A wide range of programs to help back your sales effort and send your profits skyrocketing.

PACEMAKER

With Pacemaker, you earn prize points from your Motorcraft purchases that can be redeemed for anything from summer or fall trips to thousands of quality gifts from our Executive Collection Catalog. Or you can use your Pacemaker prize points for advertising or point-of-purchase material. You can even get Ford or Lincoln-Mercury cars. Or Holiday Inn Guest Certificates to sponsor sales meetings just about anywhere in the world.

INCENTIVE TRAVEL

You can earn Incentive Travel points from your Motorcraft purchases for group travel programs or create your own "mini" or Fall travel package. Points can be redeemed for trips to Las Vegas, Puerto Vallarta, Hawaii, Toronto, Orlando or Montreal.

INVOLVEMENT BONUS PROGRAM

A great way to help the jobber build store traffic or a new accounts Grand Opening event. It includes everything from extended credit terms, "Budweiser King" mini-car promos, ad co-op allowances and a complete merchandising kit full of eye-grabbing Motorcraft materials.

ADVERTISING AND RETAIL SUPPORT

It's all supported by a full-scale Motorcraft advertising campaign telling the consumer the Motorcraft story in TV, radio and four-color magazine ads. Plus the usual co-op advertising allowances you can use to point customers in the right direction. Especially important when Motorcraft is running consumer advertising offering up to **$6.50 in refunds** on selected products. Accelerate your sales in '84. To get all the details and all the back-up you need, contact your Motorcraft representative or call 1-800-521-4114. In Michigan, call 1-800-482-4102.

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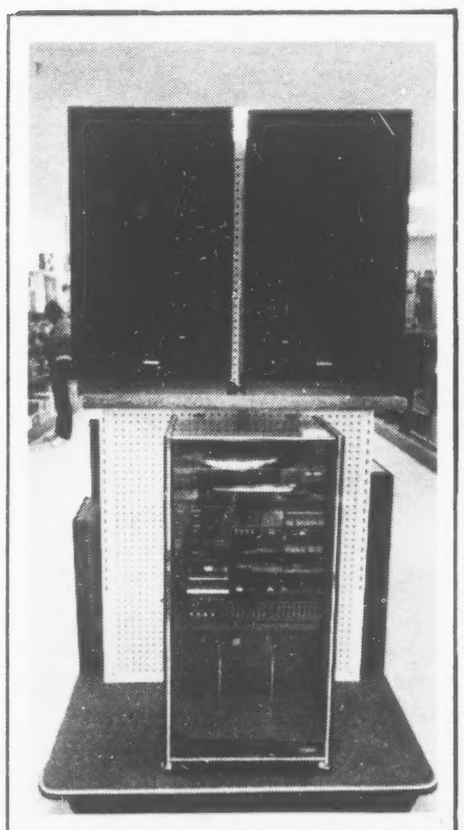

Rack Audio Gains

The still-growing popularity of rack audio, such as this $999 Fisher unit at Ann & Hope, Watertown, Mass., has made component audio universally available, at the same time blurring low, middle- and high-end distinctions. *(DSN photo)*